certain territorial rights of the corporation to A, and to procure and transfer to him a majority of the stock of the corporation. The defendant forced the release of the right and acquired and transferred all of the stock except a small block held by the plaintiff, who now brings a bill in equity to compel the defendant to account to the corporation for the bonus. *Held*, that the defendant must disgorge. *Keeley et al.* v. *Black et al.*, 107 Atl. 825 (N. J. Eq.).

When an officer of a corporation uses the corporate machinery for his own secret advantage, he may be compelled to account to the corporation for any profit he derives from the transaction, since there is a fiduciary relation between him and the corporation. *McClure* v. *Law*, 161 N. Y. 78, 55 N. E. 388; *Goodbody* v. *Delaney*, 82 N. J. Eq. 140, 91 Atl. 724. The principal case gives a moment's pause, however, since it is clear that when the officer accounts to the corporation this will enure largely to the benefit of A, who does not seem particularly deserving. If no one of the old stockholders remained, so that accounting to the corporation would benefit only undeserving persons, equity would look beyond the corporate form to see who were the ultimate beneficiaries, and would refuse relief. *Home Fire Insurance Co.* v. *Barber*, 67 Neb. 644, 93 N. W. 1024. But equity will not fail to do justice to an innocent petitioner merely because there is an incidental benefit to one wrongdoer at the expense of another. See *New Sombrero Phosphate Co.* v. *Erlanger*, L. R. 5 Ch. D. 73, 114. See also 1 MORAWETZ, PRIVATE CORPORATIONS, 2 ed., § 294. This is the situation in the principal case. The *dictum* that the defendant might also be liable to the former stockholders who had parted with their shares, in an action of deceit, seems correct if there was actual misrepresentation. But New Jersey does not recognize any duty on the part of an officer to make a full disclosure when buying stock from a stockholder. *Crowell* v. *Jackson*, 53 N. J. L. 656, 23 Atl. 426. See 4 FLETCHER, CYCLOPÆDIA OF CORPORATIONS, § 2564.

CRIMINAL LAW — STATUTORY OFFENCES — VIOLATION OF ESPIONAGE ACT OF 1918 — WHAT CONSTITUTES SPECIFIC INTENT. — The defendants were convicted for publishing two leaflets in violation of the Espionage Act, as amended in 1918. The leaflets appealed to Russian workers in America to rise and prevent the intervention of America against the Revolutionary government in Russia. Workers in munition factories were urged to cease production; and a general strike was advocated. The statute required an "intent to hinder the United States in the prosecution of the war." The defendants claimed that the leaflets showed only an intent to stop American interference in Russia, and that therefore the evidence was insufficient to support the verdict. *Held*, that the conviction be affirmed. *Abrams* v. *United States*, U. S. Sup. Ct., October Term, 1919, No. 316.

For a discussion of the principles involved in this case, see NOTES, p. 442, *supra*.

DAMAGES — MEASURE OF DAMAGES — CONVERSION OF STOCK. — The defendant stock-broker was held to have converted the stock of the plaintiff's intestate by a wrongful sale. (*In re Berberich's Estate*, 257 Pa. 181, 101 Atl. 461.) A second adjudication for the purpose of determining the amount of damages to be paid by the defendant was required. *Held*, that the damages should be the highest market price of the stock between the conversion and the trial. *In re Berberich's Estate*, 107 Atl. 813 (Pa.).

Generally in an action for conversion the measure of recovery is the value of the property at the time of the conversion, with legal interest from that time. *Hunt* v. *Boston*, 183 Mass. 303, 67 N. E. 244; *Hayden* v. *Bartlett*, 35 Me. 203. See 2 SEDGWICK, DAMAGES, 9 ed., § 943. Some courts apply the same rule of damages to a conversion of marketable securities. *Continental Mining Co.*

v. *Bliley*, 23 Colo. 160, 46 Pac. 633; *Franklin Bank* v. *Harris*, 77 Md. 423, 26 Atl. 523. It is clear, however, that the application of the general rule affords inadequate compensation to the owner of the stock. See *Barber* v. *Ellingwood*, 137 N. Y. App. Div. 704, 713, 122 N. Y. Supp. 369, 378; *Dimock* v. *U. S. Nat. Bank*, 55 N. J. L. 296, 304, 25 Atl. 926, 928. In an endeavor to reach a more equitable result, the New York courts have laid down a special rule of damages for the conversion of stock; viz., the highest price reached during a reasonable time in which the plaintiff might have replaced his stock after learning of the conversion. *Wright* v. *Bank of Metropolis*, 110 N. Y. 237, 18 N. E. 79; *Baker* v. *Drake*, 53 N. Y. 211. See 19 COL. L. REV. 379. But the plaintiff may at his option rely on the general rule. *McIntyre* v. *Whitney*, 139 N. Y. App. Div. 557, 124 N. Y. Supp. 234, aff'd 201 N. Y. 526, 94 N. E. 1096. See 24 HARV. L. REV. 62. This so-called New York rule is favored by many jurisdictions. *Galigher* v. *Jones*, 129 U. S. 193; *Dimock* v. *U. S. Nat. Bank, supra; Citizens Ry. Co.* v. *Robbins*, 144 Ind. 671, 42 N. E. 916. By allowing the plaintiff to recover the highest price of the stock between the conversion and the trial, the Pennsylvania court in the principal case more than compensates the owner of the securities, and in effect penalizes the converter in a civil action in which exemplary damages are not an element. The rule has been justly criticized. See *Baker* v. *Drake, supra*, 217; *Pinkerton* v. *Manchester Railroad*, 42 N. H. 424, 461.

DAMAGES — MEASURE OF DAMAGES — RECOVERY FOR BREACH OF WARRANTY. — A corporation sold a tractor to the defendant with warranties that it would do general farm work. In an action by the plaintiff, to whom the corporation had assigned the contract, the buyer sought to set off, *inter alia*, the loss of profits from land due to the absence of a crop which he could have sown if the tractor had been as warranted. *Held*, that such damages may be set off. *Mager* v. *Baird Co.*, [1919] 3 W. W. R. 428.

Damages for a breach which occurs prior to an assignment, provided that it is a breach of the contract assigned or is directly connected with it, may be set off against the assignee. *Newfoundland* v. *Newfoundland Ry. Co.*, 13 App. Cas. 199. Loss of profits within the contemplation of the parties when the contract was made may be recovered. *Hydraulic Engineering Co.* v. *McHaffie*, 4 Q. B. D. 670; *Passinger* v. *Thornburn*, 34 N. Y. 634. When a warranty has reference to the specific purpose for which an article was sold, such purpose is thereby shown to be within the contemplation of the parties, and a recovery may therefore be had for a loss that is a proximate result of the breach. *Beeman* v. *Banta*, 118 N. Y. 538, 23 N. E. 887; *Walker* v. *France*, 112 Pa. St. 203, 5 Atl. 208. The law has gone far in awarding consequential damages for a breach of a warranty, and, to that end, in considering losses to be proximate results of the breach. *Cf. Buckbee* v. *Hohenedal Co.*, 224 Fed. 14. See 29 HARV. L. REV. 221. See also WILLISTON, SALES, § 615. But even when it might well be said that the loss is proximate, recovery will be denied if the computation of damages is so conjectural as to be speculative. Thus it has been held that a loss of profits due to a defect in a warranted race-horse, where the profits depended on other conditions than those warranted, is both too remote and speculative. *Connoble* v. *Clark*, 38 Mo. App. 476. And so in the case of a warranted machine. *New York Co.* v. *Fraser*, 130 U. S. 611. The instant case is an extreme application of the doctrine of consequential damages to a loss that should more properly be considered remote and speculative.

DESCENT AND DISTRIBUTION — FORFEITURE OF ESTATE — CONSTITUTIONALITY OF STATUTE DENYING DOWER TO SLAYER OF HUSBAND. — A Kansas statute provides that a person convicted of killing another from whom he would inherit property shall be denied all right to such property, and that it